

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1481 - HB 1500

January 22, 2018

SUMMARY OF BILL: Authorizes, rather than requires, the Comptroller of the Treasury (COT) to impose certain penalties or restrictions for local governments that fail to implement accounting and financial reporting standards as required by the Governmental Accounting Standards Board (GASB). Deletes various obsolete deadlines relating to compliance with GASB and implementation work plans. Updates references to GASB Statement 34 by replacing such language with references to GASB accounting and financial reporting standards.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Under current law, pursuant to Tenn. Code Ann. § 9-3-404, a local government failing to implement accounting and financial reporting standards as required by GASB is ineligible for economic and community development grants and state-funded education grants and is subject to a reduction in bank excise tax revenue, Hall income tax revenue not to exceed five percent, and a portion of state gasoline tax revenue until the local government complies with GASB accounting and financial report standards.
- This legislation authorizes, rather than requires, the COT to impose penalties; however, the COT will continue imposing penalties at the same rate as under current law.
- Any penalized local government will ultimately receive withheld revenue.
- No significant impact on the operations of the COT or local government; therefore, any fiscal impact to state or local government is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee".

Krista M. Lee, Executive Director

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